



AGENDA DATE: 2/02/00  
AGENDA ITEM: 11A

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
*Two Gateway Center*  
*Newark, NJ 07102*

|                               |   |                             |
|-------------------------------|---|-----------------------------|
| IN THE MATTER OF THE PETITION | ) | <u>WATER AND WASTEWATER</u> |
| OF CONSUMERS NEW JERSEY WATER | ) | <u>ORDER APPROVING</u>      |
| COMPANY FOR APPROVAL OF AN    | ) | <u>INITIAL TARIFF RATE</u>  |
| INITIAL TARIFF PURSUANT TO    | ) | DOCKET NO. WT99060404       |
| <u>N.J.A.C. 14:1-5.11</u>     | ) |                             |

(SERVICE LIST ATTACHED)

BY THE BOARD:

On June 3, 1999, Consumers New Jersey Water Company (Petitioner), a public utility of the State of New Jersey, filed a petition requesting approval of an initial tariff for "Non-treated and Non-Potable Metered Service" pursuant to N.J.A.C. 14:1-5.11. Under the proposed initial tariff, a customer utilizing this service would pay a fixed charge based upon meter size, a volumetric charge of \$0.75 per thousand gallons and a peak electrical surcharge. The Petitioner currently provides water service to approximately 33,000 customers in Warren, Hunterdon, Mercer, Burlington, and Camden Counties in New Jersey.

By way of background, Petitioner was approached by the Township of Lopatcong in Warren County and a private developer, Stryker L.L.C., regarding the provision of water service for irrigation purposes at a golf course to be developed in the Township of Lopatcong. The Township expressed concerns regarding the developer's plan to drill its own wells on the site of the planned golf course. In particular, the Township was concerned that the developer's wells might affect other existing wells in the area.

Petitioner has an existing well known as the Liberty Road Well. This well has been in-service since 1979 but is not currently operated due to high operating costs. Rather, the well is available for back-up purposes. While the water from the well currently meets all state and federal water quality standards, Petitioner anticipates that the naturally occurring level of radon will be in excess of anticipated Environmental Protection Agency standards.

Petitioner has entered into an agreement with the golf course developer, Stryker L.L.C., under which Stryker L.L.C. will: (1) take service pursuant to the proposed initial tariff; and

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(2) guarantee minimum annual purchases of ten million gallons during the seven year term. It is anticipated that the agreement will contribute additional annual revenues of \$12,800 and additional annual operating income of \$5,000 to Petitioner. By letter dated January 14, 2000, Petitioner advised the golf course developer that the rate is an initial rate only and all rates are subject to approval by the Board.

On January 19, 2000, the Ratepayer Advocate submitted a letter indicating that it does not oppose approval of this initial tariff provided: (1) the proposed initial tariff is limited to the golf course as the only entity entitled to this unique rate; and (2) any and all issues relating to rates and the impact on other existing customers be addressed in the context of Petitioner's next base rate case.

After having reviewed the matter, the Board **FINDS** the terms of the initial tariff to be reasonable, in the public interest and in accordance with the law. The Board **HEREBY APPROVES** the initial tariff for service solely to the golf course in Lopatcong Township pursuant to the agreement between Petitioner and Stryker, L.L.C. It should be noted that the initial tariff rate shall be subject to review and adjustment in Petitioner's future base rate proceedings. Petitioner shall file with the Board and the parties a final tariff sheet conforming to the terms and conditions of this Board Order within ten (10) days of the date of this Order.

DATED: 2/02/00

BOARD OF PUBLIC UTILITIES

BY:

(SIGNED)

HERBERT H. TATE  
PRESIDENT

(SIGNED)

CARMEN J. ARMENTI  
COMMISSIONER

(SIGNED)

FREDERICK F. BUTLER  
COMMISSIONER

ATTEST:

(SIGNED)  
EDWARD D. BESLOW  
ACTING BOARD SECRETARY

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CONSUMERS NEW JERSEY WATER COMPANY  
APPROVAL OF INITIAL TARIFF  
PURSUANT TO N.J.A.C. 14:1-5.11  
SERVICE LIST

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